



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 13, 1998

H.R. 1211
An act for the relief of Global Exploration and Development Corporation, Kerr-McGee Corporation, and Kerr-McGee Chemical Corporation

As reported by the Senate Committee on the Judiciary on June 19, 1998

H.R. 1211 would require the Secretary of the Treasury to make two payments totaling \$19.5 million. Assuming enactment by August, we expect these outlays would occur in fiscal year 1998. Otherwise, we expect the outlays would occur in fiscal year 1999. Because the legislation would increase direct spending, pay-as-you-go procedures would apply.

Additionally, H.R. 1211 would make it illegal to teach or distribute certain information relating to explosives, destructive devices, and weapons of mass destruction. Violators could be imprisoned or fined. Collections of criminal fines, which are recorded in the budget as governmental receipts, are deposited in the Crime Victims Fund and spent in the following year. CBO estimates that enacting H.R. 1211 would not significantly increase the collection of criminal fines. Because any increase in direct spending would be the same as the amount of fines collected with a one-year lag, the additional direct spending also would not be significant.

H.R. 1211 would effectively prohibit teaching or disseminating information about the manufacture of explosive devices (including destructive devices, explosives, and weapons of mass destruction). Consequently, the bill would impose new private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the costs to the private sector of complying with the prohibition would be below the statutory threshold in UMRA (\$100 million in 1996, adjusted annually for inflation). In general, most of the costs would be imposed on commercial entities that distribute books and videotapes about making explosive devices.

The act contains no intergovernmental mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

The CBO staff contacts for this estimate are John R. Righter (for federal costs), and Matt Eyles (for the private-sector impact). The estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.